



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

July 28, 2020

Melissa Agee-Duff, Board Chair
Kiddie Korner, Too
715 East Race Street
Kingston, Tennessee 37763

Dear Ms. Agee-Duff,

The Department of Human Services (DHS) - Division of Audit Services staff conducted a limited desk review of the Child and Adult Care Food Program (CACFP) at Kiddie Korner, Too (Sponsor), Application Agreement number 00-345 during the period of March 31, 2020, through June 17, 2020. Our scope of the review was for reimbursement made to the Sponsor for February 2020.

Due to the outbreak and the risk that COVID19 poses to the Sponsor and our staff, the review was limited to verification, based on review of the documents obtained from Sponsor, via e-mail, mail, or other electronic transmissions of documents. We also obtained confirmation from the feeding sites and Sponsor staff via telephone or e-mail relative to the operation and administration of the CACFP.

The purpose of this review was to determine if the Sponsor complied with USDA regulations set through the COVID-19 period, taking into consideration the waivers granted to the Sponsor's operation. Also, to determine if the Sponsor complied with the applicable *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, provider agreements, and applicable Federal and State regulations.

Based on our review of the Sponsor's records and information provided, the Sponsor had six (6) feeding sites operating during the review period. Kiddie Korner of Athens (Athens), Kiddie Korner of Madisonville (Madisonville), and Kiddie Korner of Wartburg (Wartburg) were selected as the sample feeding sites.

Background

CACFP Sponsors utilize meal count sheets to record the number of breakfast, lunch, supper, and supplement meals served. Meals served by participating Sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP Sponsor reports the number of meals served through

the DHS Tennessee Information Payment System (TIPS) for reimbursement.

We inspected meal counts sheets for our test period and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements.

Important COVID-19 note: Due to the current outbreak and the risk that COVID19 poses to your organization personnel and our staff, all our staff are working from home with no or very limited access to the office. Therefore, we will not send a copy of this report via regular mail until further notice. Please confirm the receipt of this email as it is currently the option to communicate to you. If you need any assistance or have any questions, please do not hesitate to contact us via email.

Our review of the Sponsor’s records for February 2020 disclosed the following:

1. The Sponsor did not provide documentation to support sufficient quantities of milk were purchased for all meals reported

Condition

Based on the number of meals served with milk as a component, the Sponsor did not provide documentation to support the purchase of sufficient quantity of milk to be available with the meals that were claimed at the sampled feeding sites. The deficiencies are as follows:

Site	Ounces Needed	Ounces Purchased	Ounces Short	Breakfasts Disallowed	Lunches Disallowed	Exhibit
Athens	11,732	7,296	4,436	773		B
Madisonville	8,550	7,552	998	162		C
Wartburg	3,948	2,048	1,900	336	12	D

As a result, 1,271 breakfast meals and 12 lunch meals claimed for reimbursement were disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(4) states, “Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20....”

Title 7 of the Code of Federal Regulations, Section 226.20 I(1) states, in part, “Fluid milk, vegetables or fruit, or portions of both, and grains are required components of the breakfast meal.”

Title 7 of the Code of Federal Regulations, Section 226.20 I(2) states, “Fluid milk, meat and meat alternatives, vegetable, fruits and grains are required components in the lunch and supper meals.”

Title 7 of the Code of Federal Regulations, Section 226.20(a)(1) states, “Fluid milk must be served as a beverage or on cereal, or a combination of both, as follows: (i) Children one year of age must be served unflavored whole milk. (ii) years old. Children two through five years old must be served either unflavored low-fat (1 percent) or unflavored fat-free (skim) milk. (iii). Children six years old and older must be served milk that is low-fat (1 percent fat or less) or fat-

free (skim). Milk may be unflavored or flavored from July 1, 2018, through June 30, 2019 (school year 2018-2019).” (iv). Adults must be served milk that is low-fat (1 percent fat or less) or fat-free (skim). Milk may be unflavored or flavored from July 1, 2018, through June 30, 2019 (school year 2018-2019). Six ounces (weight) or 3/4 cup (volume) of yogurt may be used to fulfill the equivalent of 8 ounces of fluid milk once per day. Yogurt may be counted as either a fluid milk substitute or as a meat alternate, but not as both in the same meal.”

Recommendation

The Sponsor should ensure that sufficient quantity of milk is available and served with the meals claimed for reimbursement and maintain the documents to support the milk purchases.

2. The Sponsor reported meal counts incorrectly

Condition

Athens – sample site

Based on our review of the Claim for Reimbursement for February 2020, the Sponsor reported 1,144 breakfast meals, 1,379 lunch meals, and 1,296 supplements served. However, based on our review of available documents, we noted there were 1,153 breakfast meals, 1,481 lunch meals, and 1,300 supplements served, prior to any meal disallowances.

As a result, nine (9) breakfast meals, two (2) lunch meals and four (4) supplements were underreported. (See Exhibit B)

Madisonville – sample site

Based on our review of the Claim for Reimbursement for February 2020, the Sponsor reported 776 breakfast meals, 1,027 lunch meals, and 1,052 supplements served. However, based on our review of available documents, we noted there were 778 breakfast meals, 1,029 lunch meals, and 1,052 supplements served, prior to any meal disallowances.

As a result, two (2) breakfast meals and two (2) lunch meals were underreported. (See Exhibit C)

Wartburg – sample site

Based on our review of the Claim for Reimbursement for February 2020, the Sponsor reported 354 breakfast meals, 423 lunch meals, and 507 supplements served. However, based on our review of available documents, we noted there were 354 breakfast meals, 423 lunch meals, and 506 supplements served, prior to any meal disallowances.

As a result, one (1) supplement meal was overreported. (See Exhibit D)

This is a repeat finding from a previous report dated December 20, 2017

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(c) states, “... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim....”

Recommendation

The Sponsor should ensure that claims for reimbursement are completed correctly and based on accurate supporting documents.

3. The Sponsor provided menus that did not meet the USDA meal pattern requirements

Condition

Based on our review of the menus provided by the Sponsor for February 2020, the menus provided did not meet the USDA meal pattern requirements. The menus provided had deficiencies as follows:

Athens– sample site

Date	Menu	Menu Error	Meal Type	No. of Meals
2/11/2020	Chicken Taquitos, Corn, Blackeyed peas, whole wheat shell crackers, and milk	Insufficient protein for 3-5 year old	Lunch	39
2/12/2020	Beef Bologna, Tator Tots, Pickles, Whole Wheat bread and Milk	Insufficient protein for 3-5 year old	Lunch	68
2/18/2020	Bologna, Diced Potatoes, Pickles, Whole Wheat Bread and Milk	Insufficient protein for 3-5 year old	Lunch	64

Madisonville – sample site

Date	Menu	Menu Error	Meal Type	No. of Meals
2/4/2020	Spaghetti with ground beef, Corn, Peas, Whole Wheat pasta, milk	recipe did not list quantity of Ground Beef	Lunch	69
2/6/2020	Grilled Cheese, Mixed Vegetable Soup, Banana, Whole Wheat Sliced Bread and Milk	Insufficient protein for 3-5 year old	Lunch	54
2/11/2020	Beef Nuggets, Mashed Potatoes, Carrots, Crackers, and Milk	Insufficient protein for 3-5 year old	Lunch	46
2/12/2020	Tacos with Ground Beef, Corn, Green Beans, Whole Wheat Tortillas and Milk	recipe did not list quantity of Ground Beef	Lunch	68
2/19/2020	Beef Nuggets, Mixed Vegetables, Bananas, Whole Wheat Crackers, and Milk	Insufficient protein for 3-5 year old	Lunch	58
2/25/2020	Beef Nuggets, Mashed Potatoes, Carrots, Crackers, and Milk	Insufficient protein for 3-5 year old	Lunch	51
2/26/2020	Tacos with Ground Beef, Corn,	recipe did not list	Lunch	70

	Green Beans, Whole Wheat Tortillas and Milk	quantity of Ground Beef		
--	---	-------------------------	--	--

Wartburg – sample site

Date	Menu	Menu Error	Meal Type	No. of Meals
2/3/2020	Meatballs and Spaghetti, Green Beans, Corn, Whole wheat Bread, and Milk	recipe did not list quantity of Ground Beef	Lunch	15
2/4/2020	Beef Bologna, Tater Tots, Mixed Fruit, Whole Wheat bread and Milk	Insufficient protein for 3-5 year old	Lunch	21
2/10/2020	Beef Bologna, Baked Beans, Carrots, Whole Wheat Bread and milk	Insufficient protein for 3-5 year old	Lunch	18
2/19/2020	Beef Bologna, Baked Beans, Carrots, Whole Wheat Bread and milk	Insufficient protein for 3-5 year old	Lunch	21
2/20/2020	Refried Beans, Corn, Pears, Whole Wheat Tortillas and Milk	Insufficient protein for 3-5 year old	Lunch	4
2/24/2020	Beef Bologna, Baked Beans, Peas, Whole Wheat Bread and milk	Insufficient protein for 3-5 year old	Lunch	18

Due to the new CACP meal patterns requirements and emphasis on providing technical assistance during the implementation process, there were no lunch meals disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(4) states, “Each childcare center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ...”

Title 7 of the Code of Federal Regulations, Section 226.14 (b) states, “In the event that the State agency finds that an institution which prepares its own meals is failing to meet the meal pattern requirements of 226.20, the State agency need not disallow payment or collect an overpayment arising out of such failure if the institution takes such other action as, in the opinion of the State agency, will have a corrective effect.”

Recommendation

The Sponsor should ensure that all meals prepared meet the meal patterns established by the USDA, and menus should be reviewed to ensure they contain all required meal components to be eligible as a reimbursable meal.

Technical Assistance Provided

The Sponsor was provided with technical assistance regarding monitoring requirements and documentation as well as general record keeping.

Disallowed Meals Cost

Based on the review, we determined that the Sponsor's noncompliance with the applicable Federal and State regulations that govern the CACFP resulted in a total disallowed cost of \$1,439.04.

Corrective Action

The Sponsor must complete the following actions within 30 days from the date of this report:

- Log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for February 2020, which contains the verified claim data from the enclosed exhibits. ***Please note that, if the claim is revised***, TIPS will automatically deduct the overpayment from your next CACFP claim for reimbursement. **OR**
- If you are no longer participating in the CACFP program, remit a check payable to the ***Tennessee Department of Human Services*** in the amount noted in the report for recovery of the amounts disallowed in this report. ***Please return the attached billing notice with your check***; and
- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

AuditServices.CAPS.DHS@tn.gov

If you have questions relative to the corrective action plan please contact:

Allette Vayda, Director of Operations
Child and Adult Care Food Program
James K. Polk Building, 15th Floor
505 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313-3769

Please note that the amount of disallowed cost is subject to an interest charge. The interest charge will be waived if your revised claim within 30 days from the date of this report. If the revised claim is not completed by the 30-day deadline, an interest charge may be billed to your institution. Please mail your check and the billing notice to:

Child and Adult Care Food Program
Fiscal Services
James K. Polk Building, 16th Floor
505 Deaderick Street
Nashville, Tennessee 37243

In accordance with the federal regulation found at 7 CFR Part 226.6 (k), your institution may appeal the amount of disallowed cost identified in this monitoring report. The procedures for submitting an appeal are enclosed. The appeal must be submitted to:

Tennessee Department of Human Services
Appeals and Hearings Division, Clerk's Office
P.O. Box 198996
Nashville, TN 37219

If the Institution decides to appeal the amount of disallowed administrative and meals cost, all appeal procedures must be followed as failure to do so may result in the denial of your request for an appeal.

We appreciate the assistance provided during this review. If you have any questions regarding this report, please contact Sean Baker, Audit Director 2, at 615-313-4727 or Sean.Baker@tn.gov.

Sincerely,

Sam O. Alzoubi

Sam O. Alzoubi, CFE
Director of Audit Services

Exhibits

cc: Bambi Lambert, CFO/Director Kiddie Korner, Too
Allette Vayda, Director of Operations, Child and Adult Care Food Programs
Debra Pasta, Program Manager, Child and Adult Care Food Program
Elke Moore, Administrative Services Assistant 3, Child and Adult Care Food Program
Constance Moore, Program Specialist, Child and Adult Care Food Program
Marty Widner, Program Specialist, Child and Adult Care Food Program
Comptroller of the Treasury, State of Tennessee

Exhibit A

Sponsor of Affiliated Centers Program Data

Sponsor: Kiddie Korner, Too
Review Month/Year: February 2020
Total Reimbursement: \$27,316.03

Program Area	Reported on Claim	Reconciled to Documentation
Total Number of Centers	6	6
Total CACFP Food Service Days	19	19
Number of Breakfasts Served	6,105	4,845
Number of Lunches Served	6,930	6,922
Number of Supplements Served	7,704	7,707
Number of Participants in Free Category	298	NA ¹
Number of Participants in Reduced-Price Category	71	NA ¹
Number of Participants in Paid Category	260	NA ¹
Total Number of Participants	629	NA ¹

¹The number of participants and their classifications was not verified due to the limited review because of COVID 19

Exhibit B

Verification of CACFP Sponsored Center Claim

Sample Site: Athens

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	19	19
Total Attendance	1,409	1,408 ²
Number of Breakfasts served	1,144	380
Number of Lunches Served	1,379	1,381
Number of Supplements Served	1,296	1,300
Percentage of Participants in the Free or Reduced-price Category	53%	NA ¹
Number of Participants in Free Category	47	NA ¹
Number of Participants in Reduced-Price Category	8	NA ¹
Number of Participants in Paid Category	49	NA ¹
Total Number of Participants	104	NA ¹

¹The number of participants and their classifications was not verified due to the limited review because of COVID 19

² The difference in the reported and reconciled attendance is immaterial and not reported as a finding

Exhibit C

Verification of CACFP Sponsored Center Claim

Sample Site: Madisonville

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	19	19
Total Attendance	1,150	1,150
Number of Breakfasts served	776	616
Number of Lunches Served	1,027	1029
Number of Supplements Served	1,052	1,052
Percentage of Participants in the Free or Reduced-price Category	68%	NA ¹
Number of Participants in Free Category	48	NA ¹
Number of Participants in Reduced-Price Category	9	NA ¹
Number of Participants in Paid Category	27	NA ¹
Total Number of Participants	84	NA ¹

¹The number of participants and their classifications was not verified due to the limited review because of COVID 19

Exhibit D

Verification of CACFP Sponsored Center Claim

Sample Site: Wartburg

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	19	19
Total Attendance	604	604
Number of Breakfasts served	354	18
Number of Lunches Served	423	411
Number of Supplements Served	507	506
Percentage of Participants in the Free or Reduced-price Category	56%	NA ¹
Number of Participants in Free Category	24	NA ¹
Number of Participants in Reduced-Price Category	5	NA ¹
Number of Participants in Paid Category	23	NA ¹
Total Number of Participants	52	NA ¹

¹The number of participants and their classifications was not verified due to the limited review because of COVID 19



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

July 28, 2020

Melissa Agee-Duff, Board Chair
Kiddie Korner, Too
715 East Race Street
Kingston, Tennessee 37763

Note: If you are no longer participating in the CACFP, remit a check payable to the Tennessee Department of Human Services in the amounts disallowed in this report to the address below. Please return the attached billing notice with your check.

If you continue participating in the CACFP, log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for February 2020, which contains the verified claim data from the enclosed exhibits.

Institution Name:	Kiddie Korner, Too
Institution Address:	715 East Race Street Kingston, Tennessee 37763
Agreement Numbers:	00-345
Amount Due:	\$1,439.04
Due Date:	August 31, 2020

Please remit a check or money order payable to the Tennessee Department of Human Services in the amount noted above by the due date to:

**Fiscal Services 16th Floor
James K. Polk Building
505 Deaderick Street
Nashville, Tennessee 37243
Tennessee Department of Human Services**

Please note that the disallowed meals cost / overpayment of the CACFP is subject to an interest charge. The interest charge will be waived if the payment is received by the due date. If payment is not received by the end of 5th day of the due date, an interest charge may be added to the original amount due and will be billed to your entity.

If you have any questions regarding this notice, please feel free to contact Allette Vayda, Director of Operations at (615) 313-3769 or Allette.Vayda@tn.gov.

Thank you for your attention